



What do you need to know about Proposition 60 and 90 (also known as the Reappraisal Exclusion for Seniors)?

Proposition 60 and 90 are constitutional amendments in California that provide property tax relief for people aged 55 or over. They allow homeowners to transfer the original property tax on the sold property to the newly purchased or constructed home. Proposition 60 allows for transfers of base year values¹ within the same county while Proposition 90 pertains to transfers from one county to another within California. Now that home prices are getting relatively more affordable, these provisions are especially timely if you or your spouse is 55 or older, looking to trade down, and met eligibility requirements.

¹ Base year is the year in which the property is purchased, newly constructed, or a reappraisable ownership change occurs. The base year value is the full market value of the home in the base year, usually determined by the purchase price or the Proposition 13 value. (<http://www.smcare.org/care/documents/ReplacementDwelling.pdf>)

Eligibility requirements:

- You, or your spouse residing with you, must have been at least 55 years of age when the original property was sold.
- The replacement property must be your principal residence and must be eligible for the homeowners' exemption.
- The replacement property must be of equal or lesser "current market value" than the original property.²
- The replacement property must be purchased or built within 2 years (before or after) of the sale of the original property.
- Your original property must have been eligible for the homeowners' exemption either at the time it was sold or within 2 years of the purchase or construction of the replacement property.

² "equal or lesser value" of a replacement property means:

- If you are buying a replacement home BEFORE you sell your original home, then the replacement home's price must be equal to or less than the market value of the original property.
- If you are buying a replacement home within the first year AFTER you sold your original home, then the replacement home's price can go up 5%.



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- If you are buying a replacement home within two years AFTER you sold your original home, then the replacement home's price can go up 10%.

This is a **ONE-TIME** only benefit. Once you have filed and received this tax relief, neither you nor your spouse who resides with you can ever file again, even upon your spouse's death or if the two of you divorce. The only exception is if a person first received relief for age and subsequently became severely and permanently disabled after the date of the original claim and had to move because of the disability, then the base year value may be transferred a second time.

Currently there are 7 counties in California that have approved Proposition 90 and will accept base year transfer:

- Alameda County
- Orange County
- Los Angeles County
- San Diego County
- San Mateo County
- Santa Clara County
- Ventura County

If you have questions regarding Proposition 60 or 90, it's very likely they would be covered in the California State Board of Equalization's very comprehensive FAQ page. You can visit the page http://www.boe.ca.gov/proptaxes/faqs/propositions60_90.htm to learn more.

Sincerely,

Catherine Sun